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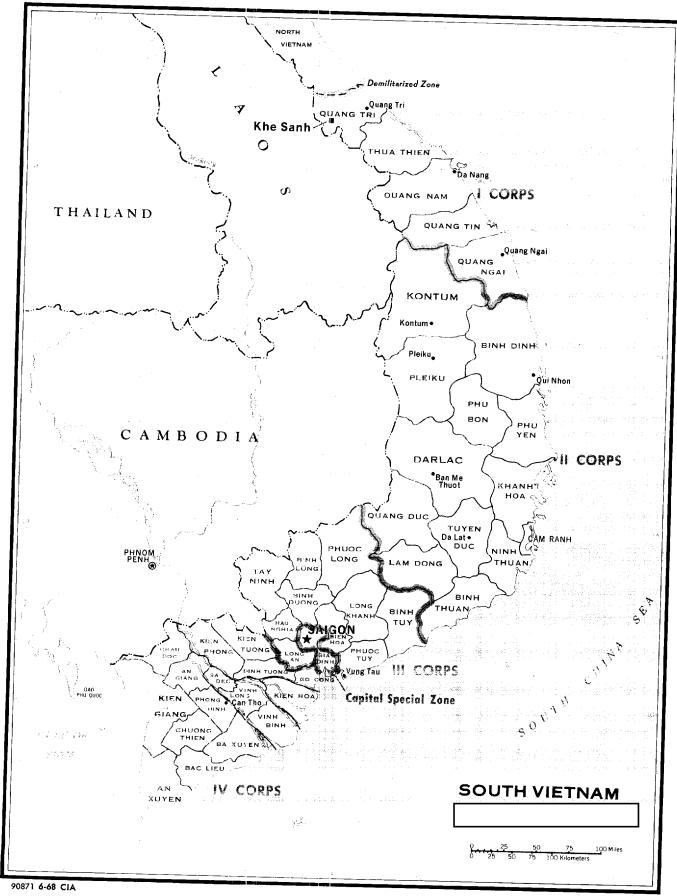
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South Vietnam: Several prominent South Vietnamese have called for talks with the National Liberation Front, and this may lead to a more open discussion of the subject in Saigon.

Former deputy premier Tran Van Tuyen has called for a military conference between Saigon and the Front to arrange a truce. In a letter printed in a Saigon paper on 4 June, he suggested that a truce could be followed by an international conference to settle the war within a broader framework of peace in Southeast Asia.

Tuyen stated that acknowledgment of the "political reality" that the Front possesses an army and controls part of South Vietnam does not imply recognition of its legitimacy.

These remarks closely followed similar statements by Pham Quang Dan, a recently appointed cabinet minister who has been visiting the US. Dan told US reporters and audiences that he favors initiating talks with the Front on the question of a cease-fire and, eventually, a coalition government. Dan's remarks have caused consternation among other members of the Saigon regime and could cost him his cabinet post unless he recants. The government's stand is that it will negotiate with Hanoi but never with the Front as such.

South Vietnamese doubtless argue in private about the wisdom of talking with the Front, but the fact that the issue is being raised publicly almost certainly reflects concern over the possible direction of talks between the US and Hanoi. In addition to their conviction that the South Vietnamese must be primarily responsible for determining their own future, many local politicians have long considered that a greater civilian voice in

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Tthe government is a prerequisite for ending the war through negotiations.

With the exception of continued artillery attacks on Saigon and ground assaults northeast of the capital and near Khe Sanh, military action has been light.

(Map)

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Czechoslovakia: Prague is publicizing the forthcoming Warsaw Pact exercise but apparently has not allayed fears that the USSR will use the exercise to cover military intervention.

In a highly unusual move, the Ministry of Defense appointed a special spokesman, Major General Cepicky, to handle publicity for the exercise, and has been more forthcoming in providing information than ever before. The statements Cepicky has thus far issued, however, have been vague in certain respects, particularly regarding the numbers and types of Soviet troops which will be in Czechoslovakia.

Cepicky has tried to clarify what Minister of Defense Dzur meant by "support" and "marker" units associated with the exercise. He said that "support" troops consist primarily of communications units. Some such Soviet forces are already in Czechoslovakia. "Marker" units, he said, are combat troops from motorized rifle units which will be used to verify the "feasibility" of plans and decisions. According to Dzur, these will be primarily Czechoslovak troops.

Cepicky has explained that "it cannot be excluded" that "one or another tank company" will participate. He has not specified nationality, but yesterday he again denied that Soviet tanks are in Czechoslovakia now.

Cepicky has acknowledged that a "minimum" number of troops from Czechoslovakia, the USSR, Hungary, and Poland will take part in the exercise. This seems to rule out East German forces. The exercise will take place in the second half of June, will last several days, and will be held largely in military training areas in Czechoslovakia.

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France: De Gaulle's radio-TV broad-cast of 7 June is unlikely to sway many uncommitted voters to support the regime in the parliamentary elections.

The interview was clearly intended as the opening Gaullist salvo in the campaign preceding the elections of 23 June. By painting in bleak terms the prospects for France if the public fails to return the Gaullists to power, De Gaulle sought to win over those voters not presently committed to either side. His strong emphasis on the menace to France of the "totalitarian enterprise" of Communism, however, is unlikely to provide the Gaullist camp with much effective electoral ammunition. reiterating the Communists theme, earlier sounded in his broadcast of 30 May, De Gaulle appeared to be pursuing a tactic of deliberately polarizing the country's political forces. Such a polarization would make it even more difficult for the government to solve the basic economic and social problems plaguing France.

A second theme of the interview was a vaguely outlined scheme of "participation," a favorite Gaullist word ever since the government began tardily to react to the crisis. De Gaulle emphasized that participation, presumably intended to describe a system in which workers and managers share in the running of the businesses as well as in the profits, was a far better solution to the present crisis than either Communism or capitalism. De Gaulle hopes such a system will bring labor and management closer together and at the same time weaken the hold of the unions on the workers. As in the past when similar schemes have been proposed, union and opposition political leaders responded negatively, calling the proposal "paternalism" and "outrageous social demagoguery."

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Meanwhile, violence continues to mark the ebbing strike wave. Union leaders are bitter at police actions yesterday at a large Renault plant near Paris, where workers fought police all day for possession of the factory. The Renault incident, as well as battles between war veterans and students in Brittany and demonstrations in Paris by revolutionary students, makes clear that grave dissatisfaction still persists among certain segments of the protest movement.

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LAOS: Current Situation



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Laos: The fighting continues to taper off as Communist forces move to the defensive.

In the north, the enemy threat to the vital government guerrilla base at Na Khang is subsiding. Villagers report that the enemy sustained a substantial number of casualties from heavy air strikes and was forced to withdraw from the immediate area. Government forces are now planning to attempt to regain lost positions north of the base.

Activity in the Plaine des Jarres and Paksane areas has been light. Government forces have encountered only small enemy patrols. Although intensive air strikes may have discouraged an enemy build-up in the Paksane area, it is possible that an alleged Communist "threat" in the area was exaggerated by the regional military commander, General Kouprasith.

In the south, government forces have moved back into Ban Houei Mun and Ban Sapat, an outpost some ten miles east of Khong Sedone that had been over-run two weeks ago. There was little or no Communist resistance. North Vietnamese troops recaptured Muong Phalane on 4 June, however. The airstrip there had been occupied by government troops in late May.

Although early rains have not yet become an important military factor, the lessening of Communist activity over the past several weeks suggests the enemy is already digging in for the government wet-season counteroffensive. There have been no indications that North Vietnamese troops are being withdrawn from Laos, as they have in past rainy seasons. The enemy probably will allow the government to retake several minor positions, but is likely to resist efforts to drive it from important areas, such as the Se Done Valley, which it occupied with considerable loss of men and materiel.

(Map)

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India: New unrest among both hill and plains tribes in Assam State further threatens the stability of the eastern region.

Long-standing demands from the moderate-led All Parties Hill Leaders Conference have forced the government to consider establishing a largely autonomous hill state in Assam covering the Garo and Khasi-Jaintia Hills districts. The cabinet's recent failure to agree on such a proposal resulted in the resignation from the Assam State Assembly of all nine conference members. The conference may now launch a long-threatened "nonviolent action" campaign in the hill areas, which could get out of control. More extreme elements are ready to replace the present moderate leaders if an autonomous hill state is not established soon.

Meanwhile, some elements among the plains tribes, capitalizing on the government's willingness to consider hill tribe demands, are urging more autonomy for their own tribal areas. In a manifestation of increased unrest among plains tribes, a mob of 4,000 Boro tribesmen recently attacked a police post in the Kokrajhar subdivision.

The government has long equivocated on the hill leaders' demands. It has had to weigh the effects of further fractionalizing India's states against the need to forestall additional disruption in the eastern region. The Naga and Mizo rebellions continue to tie down some 70,000 Indian troops and paramilitary personnel in the mountains and jungles to the south and east of the Assam Valley.

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NOTES

Nigeria: Biafra has purchased I	<u> Fouga</u>
J-12 Jos Lighters	
one or two usable airfields and could have stock piled ample supplies of jet fuel before the refi	-
was lost. Use of the Fougas will lift Biafran mand, if used effectively, could slow the federal advance.	-

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Rumania - Saudi Arabia: Bucharest has sent two 35,000-ton tankers around Africa to take the first deliveries of Saudi Arabian crude oil. Under the barter agreement signed with the Saudis last December, Rumania is scheduled to take nine million tons over the next four years in exchange for Rumanian industrial equipment and other goods. About one million tons of crude are to be shipped this year. This will mark the first time that Rumania has imported crude oil. It now needs additional crude if it is to make full use of its refining capacity which has outstripped domestic output. Refined petroleum products sold in Western Europe are among Rumania's largest earners of hard currency.

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Colombia: President Carlos Lleras Restrepo announced his resignation precipitously yesterday following the defeat by the Colombian Senate of a controversial constitutional reform bill. Lleras is a tough-minded realist who would not have taken such a step without careful consideration. Nevertheless, if Congress accedes to his demands, he may reconsider his decision. Vice President and UN delegate Julio Turbay Ayala has been recalled to Bogota.

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